

19 October 1960

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CUBA

I. Active opposition to Castro continues among scattered groups inside Cuba despite fear instilled by recent executions and increased govt repression. As many as 1,000 guerrillas remain active in Escambray mts.

Among

- A. Groups inside are poorly armed and provisioned. /biggest problems are lack of unity and effective popular leaders.
- B. Castro claims guerrillas wiped out, but most of those captured and exhibited at show trials last week were either seized in lowlands or arrested some weeks ago and tried for propaganda effect.

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D. Bloc warden informant system called for in recent Castro speech already operating in Santiago where people thoroughly intimidated.

1. Govt ready with new decree for compulsory military training for all Cubans, male and female, between ages 14 and 40.

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II.

A. Castro expressed conviction that capitalism is doomed and the US is "finished" as a great power."

1. "In its present state of confusion," the US must be kept constantly on the defensive and Castro said he has no intention of letting up on his attacks.

B. The "Eastern powers" will win the ideological war and therefore, Castro said, Cuba must unite with these countries.

1. Referring enthusiastically to Soviet technicians, Castro said "with all these excellent people in Cuba, we will defeat the corrupt capitalist system."

C. Castro went to great lengths describing his role as the rising leader of the Latin American and African people.

III. Soviet bloc military and economic aid continue.

A. Three major bloc arms shipments have arrived

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1. Recent shipments apparently include antiaircraft artillery, machineguns, at least 100 jeeps, other unidentified equipment, and possibly tanks.

2. No definite word on MIG's. If they have not yet arrived, they probably will soon.

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B. "Che" Guevara to leave for Moscow today (20 October), ostensibly as Castro's representative to 7 November celebrations, but reportedly also to conclude new economic agreements with bloc countries.

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2. Cuban recognition East Germany would mean recognition of all Sino-Soviet bloc govts but Rumania, Albania, Outer Mongolia. Imminent arrival in Havana of Rumanian commercial mission probably presages recognition Rumania and trade agreement.

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Nationalization of most remaining large and medium businesses and urban reform law of 15 October are most drastic domestic actions to date. They virtually wipe out sources of income for upper and upper-middle classes.

A. By these laws, govt gains control of great wealth (liquid assets of seized companies alone reported about \$200,000,000), but resulting massive bureaucracy will be long term heavy drain on economy.

1. Communists, who probably helped draft laws, will use bureaucracy further to expand influence.

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Castro likely to react strongly to US export controls, which Cuban media already calling a new US "aggression."

A. Castro warned on 15 October TV interview that some American companies (Sears Roebuck, Woolworth's, Coca Cola, plus 200-odd small firms) still remain, but "if there is further aggression, then further reprisal action will be considered."

B. Cuba will use controls as further "proof" of US aggression in UN General Assembly, where on 18 October Cuba requested urgent consideration formal Cuban complaint charging US with "various plans of aggression and acts of intervention being executed by the US."

1. Castro may make personal appearance again at UN.

C. Castro may even use occasion to demand US evacuation Guantanamo or to break diplomatic relations with US.

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